

**DAERING EXPLORERS
CORPORATION LIMITED**

Annual Report

**Period Ending
31st December, 1963**

DIRECTORS' REPORT

To: THE SHAREHOLDERS,

DAERING EXPLORERS CORPORATION LIMITED

Your Directors herewith submit the Auditor's Report, the Balance Sheet, and the related Financial Statements for the year ending 31st December, 1963.

We herewith quote from the Annual Report made by the Company's Consulting Mining Engineer, Larry F. Labow, B.Sc., P.Eng.:—

"DUFRESNOY TOWNSHIP, QUEBEC

This property, which comprises one thousand (1,000) acres, is located in an area of copper-zinc developments which are extremely significant. The Lake Dufault Mines Limited has developed ore reserves in an upper zone estimated at 1,300,000 tons grading, 5% copper, 10% zinc, 3.2 oz. silver and 0.04 oz. gold per ton. Additional work is necessary to estimate tonnage and grade in another zone. Construction of a twelve hundred ton milling plant started late 1963 and production is expected to start in the latter part of 1964.

On your property the earlier diamond drilling was limited to 2,546 feet. Although no economic copper mineralization was encountered, the geological structures intersected are favourable for ore deposition.

A study of the property has been made with view to further exploration on same. Your consultants are of the opinion that an Induced Polarization Survey should be undertaken. This would explore the possibility of locating:

- (1) A disseminated or poorly interconnected body of sulphide mineralization which would not conduct sufficiently well to show up with other geophysical methods.
- (2) A body of sulphides which is too deeply buried (over 150 feet) to have been indicated by any airborne surveys or other geophysical means.

It is our opinion that for both possibilities an Induced Polarization Survey would offer the most thorough approach to detection.

No active exploration on the property was undertaken during the year 1963.

DANIEL TOWNSHIP, QUEBEC

This well-located 20-claim group (800 acres), was tested by diamond drilling for a total footage of 4,915 feet. The targets were anomalies of modest amplitude for six (6) holes totalling 2,916 feet. These drill holes were collared on the waters which cover a large portion of the property, but difficulties with excessive depth of overburden on the bottom of the Allard River limited effective drill core recovery. The seventh hole was collared on land near the northeast corner adjoining New Hosco Mines Limited and was completed to a depth of 1,999 feet. Excessive flattening in the hole precluded penetration of the drill target, but the geological information indicated that certain conditions of alteration and chloritization, commonly associated with ore in Mattagami, were present.

The immediately adjoining New Hosco Mines Limited is now in production at a daily rate of 900 tons. The important "gabbro" copper-zinc ore recently discovered on the 1,000 foot level at New Hosco is being explored for the up-dip extension. No further work is being entertained on the Daering property till New Hosco completes its exploration program on the untested area which lies between the New Hosco production shaft and the north boundary of Daering. On completion of this work, a decision will be made and recommendations for further development.

GENERAL COMMENTS

Your Company has been actively engaged in examining prospects submitted. Many did not warrant any undertaking by the Company. However, one well-located group of claims in the Mattagami district is now under consideration. A recent discovery of sulphide mineralization which is described as 40 feet in width is on this group. A recommendation will be made very shortly that this 18-claim property be acquired for immediate development.

Your Company has a property (and may well consider acquiring an additional property) well-located in the centre of what could be the most intensive exploration efforts in the Mattagami district since the boom years of 1957-58. Programs are planned or under way by a number of Companies along the north limb of the favourable geological formations for a strike length distance of over 8 miles. We trust that these exploration endeavours will be rewarded with success in finding additional ore bodies."

In Western Canada, Daering holds small royalty interests in leases in the Chinchaga River Area in Alberta, and in the Liard River Area, Northwest Territories.

Notice of the Annual General Shareholders' Meeting is enclosed, and if you are unable to be present in person, will you kindly complete the Proxy form and return it to the Secretary, in the envelope enclosed for your convenience.

On behalf of the Board of Directors,

EARL BROWN
President.

Toronto, January 31, 1964.

DAERING EXPLORERS

(Incorporated under the laws of the Province of Ontario)

BALANCE SHEET — As at December 31, 1967

ASSETS

Current assets:

Cash	\$ 21,618.17	
Accrued interest receivable.....	443.00	\$ 22,061.17
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Investments:

Province of Ontario 5¼% bonds, due April 13, 1968, at cost (market value \$40,200.00)		40,100.00
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Fixed assets:

Interest in petroleum and natural gas rights, at cost.....	\$ 3,199.16	
Mining claims, at cost (\$65,073.54 cash and \$110,000.00 attributed to 400,000 shares of the company's capital stock issued for claims).....	175,073.54	
Equipment, at nominal value.....	1.00	178,273.70
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Deferred expenditures and other assets:

Security deposit	\$ 1,000.00	
Exploration and administrative expenditures, per statement.....	198,364.09	
Incorporation and recapitalization.....	7,036.05	206,400.14
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\$446,835.01

Approved on behalf of the Board of Directors:

EARL BROWN, Director

E. F. FURNISS, Director

CORPORATION LIMITED

of the Province of Ontario)

T DECEMBER 31, 1963

LIABILITIES

Current liabilities:

Accounts payable	\$ 2,900.00
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Capital and deficit:

CAPITAL STOCK

Authorized:

4,000,000 shares, par value \$1.00 each

Issued as fully paid:

2,890,372 shares, at December 31, 1962	\$2,890,372.00	
Less — discount	1,730,773.62	\$1,159,598.38
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200,000 shares issued for cash in 1963	\$ 200,000.00	
Less — discount	170,000.00	30,000.00
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<hr/> 3,090,372 shares		\$1,189,598.38
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Deficit:

Balance, December 31, 1962	\$ 733,035.05		
Add — loss on sale of securities	12,628.32	745,663.37	443,935.01
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			\$446,835.01

DAERING EXPLORERS CORPORATION LIMITED

STATEMENT OF DEFERRED EXPLORATION AND ADMINISTRATIVE EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 1963

Oil and gas expenditures:

Balance, December 31, 1962.....		\$	628.07
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Mine exploration expenditures:

Balance, December 31, 1962.....		\$100,919.05
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Additions during 1963:

Engineers' fees.....	\$ 10,044.19		
Diamond drilling.....	20,366.91		
Miscellaneous.....	2,285.86	32,696.96	133,616.01

Administrative expenditures:

Balance, December 31, 1962.....		\$ 52,460.97
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Additions during 1963:

Accounting and secretarial fees.....	\$ 3,800.00		
Directors' fees.....	325.00		
Executive officer's salary.....	2,500.00		
Legal and audit fees.....	325.00		
Shareholders' information.....	1,205.21		
Shareholders' meeting expense.....	980.73		
Stock exchange fees and expenses.....	635.39		
Transfer agent's fees and expenses.....	2,964.09		
Leasehold improvements.....	715.00		
Miscellaneous.....	308.62	13,759.04	
		\$ 66,220.01	

Less — interest income.....		2,100.00	64,120.01
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Total deferred expenditures, December 31, 1963.....		\$198,364.09
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Fisher, Nisker & Company

CHARTERED ACCOUNTANTS

62 RICHMOND ST. WEST
TORONTO, ONTARIO

AUDITORS' REPORT

To the Shareholders of
Daering Explorers Corporation Limited

We have examined the balance sheet of Daering Explorers Corporation Limited as at December 31, 1963 and the statement of deferred exploration and administrative expenditures for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statement of deferred exploration and administrative expenditures present fairly the financial position of the company as at December 31, 1963 and its activities for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario,
January 9, 1964.

FISHER, NISKER & COMPANY
Chartered Accountants.

